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**Frequently Asked Questions**

- ❖ What is the Local Agency Formation Commission?
- ❖ What do LAFCOs actually do?
- ❖ Who are the LAFCo members?
- ❖ How are commissioners selected?
- ❖ What are spheres of influence?

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**Presentation Topics**

- ❖ Why LAFCOs were created
- ❖ LAFCo’s Mission, Scope, Composition
- ❖ LAFCo’s Role and Functions
- ❖ LAFCo Resources
- ❖ Introduction to Municipal Services Reviews (MSRs) & Spheres of Influence (SOIs)
- ❖ 2016 Grand Jury Recommendations and LAFCo Responses

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# An Introduction to Local Agency Formation Commissions

## Why LAFCos were Created

- ❖ Post WW II population and housing growth
- ❖ Cars and suburbs; scramble to finance and extend services and infrastructure
- ❖ City annexation "conflicts," lots of limited purpose special districts
- ❖ Confusion due to multiple local governments
- ❖ Local control needed; no state appointments and
- ❖ No state commission or statewide agency
- ❖ LAFCo originally under Counties-some still are

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## LAFCo Mission & Composition

- ❖ To be neutral and independent, and provide well-balanced representation
- ❖ To ensure orderly governmental services extension and to discourage urban sprawl
- ❖ To protect agricultural and open space lands

### Composition:

- ❖ 2 county supervisors, 2 city council members, 1 public member
- ❖ 30 LAFCos also have 2 special district members
- ❖ An alternate member for each category

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## LAFCo Jurisdiction

- ❖ Includes:
  - ◆ Counties, cities, most special districts
- ❖ Does NOT include:
  - ◆ Joint Powers Authorities (JPAs)
  - ◆ Community facilities or Mello-Roos districts
  - ◆ School or college districts
  - ◆ County boundary lines
  - ◆ Bridge and highway districts
  - ◆ Transit districts or regional transportation authority
  - ◆ Improvement districts
  - ◆ Air Pollution/Quality Districts

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# An Introduction to Local Agency Formation Commissions

## Types of Special Districts

- ❖ Independent and Dependent
- ❖ Range of services and functions
- ❖ 50+ special districts in Shasta County
  - Cemetery Districts
  - Community Services Districts
  - County Water Districts
  - Fire Protection Districts
  - Mosquito Abatement, Control and Vector Districts
  - Memorial Hospital District
  - Irrigation Districts
  - Resource Conservation District
  - County Service Areas for: water/ wastewater/ flood control/ fire/ lighting

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## LAFCo's Planning & Regulatory Functions

- ❖ Establishes and updates Spheres of Influence for cities and special districts
- ❖ Prepares Municipal Service Reviews
- ❖ Works cooperatively with agencies on growth, preservation, and service delivery issues
- ❖ Administers modifications of existing agencies and creation of new ones
- ❖ Considers boundary changes consistent with SOIs
- ❖ Controls extension of public services
- ❖ Does not directly regulate land use

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## LAFCo Actions

- ❖ City Incorporations & Disincorporations
- ❖ District Formations & Dissolutions
- ❖ Annexations & Detachments
- ❖ Consolidations & Mergers
- ❖ Outside Agency Service Agreements
- ❖ Latent Powers Activation

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# An Introduction to Local Agency Formation Commissions

## Application Process

- ❖ Agency Resolution or Landowner Petition
- ❖ Application submitted
- ❖ Notice to affected agencies and residents
- ❖ Public hearing and LAFCo decision
- ❖ Conducting Authority (protest) Proceedings
- ❖ Election (if required)
- ❖ Completion (certificate)

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## LAFCos Legal Standing

- ❖ Engaged in pursuit of overriding State purpose
- ❖ LAFCo decisions are quasi-legislative
  - ◆ Limited legal challenge to decisions
  - ◆ As long as decision is not arbitrary and capricious
  - ◆ Not appealable to any other body except the courts
  - ◆ Broad determinations vs. findings
- ❖ LAFCo is Legislature’s local government link

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## LAFCos are Independent

- ❖ Commissioners make final decisions
- ❖ Adopt local policy & represent public interests
- ❖ Decisions not appealable to other bodies
- ❖ Executive Officer accountable to Commission and statutes
- ❖ Must adopt a budget for each fiscal year
- ❖ Funded by the county, cities and districts
- ❖ Application processing fees charged to offset application expenses

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# An Introduction to Local Agency Formation Commissions

## Each LAFCo is Independent

- ❖ Provides own office, equipment, personnel
- ❖ Appoints an Executive Officer
- ❖ Appoints a Legal Counsel
- ❖ Can contract for staff services
- ❖ Administrative authority as independent agency

## Commissioners are Independent

- ❖ Exercise independent judgment on public behalf
- ❖ CKH and LAFCo policies call for representing interests beyond appointing authority
- ❖ "LAFCo Hat" gives broader perspective representing "public as a whole"

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## LAFCo Staff

- ❖ Serves the Commission by providing accurate and comprehensive information
- ❖ Analyzes and Interprets Cortese Knox Herzberg (CKH) Local Government Reorganization Act and other laws (CEQA, General Plans, etc.)
- ❖ Processes proposals consistent with CKH and local procedures and policies
- ❖ Prepares staff reports, studies and make recommendations
- ❖ Implements Commission decisions

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## Subject to State Laws & Government Code

- ❖ Brown Act
- ❖ California Environmental Quality Act (CEQA)
- ❖ Revenue and Tax Code
- ❖ Political Reform Act
- ❖ CKH Act of 2000
  - ◆ Became law in January, 2001
  - ◆ legislative updates since then
- ❖ §56425 – Spheres of Influence
- ❖ §56430 – Municipal Service Reviews

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# An Introduction to Local Agency Formation Commissions

## LAFCo Resources

- ❖ Municipal Service Reviews
- ❖ Maps of Boundaries and Spheres
- ❖ Agency Formation & Changes History
- ❖ Local Agency Governance & Contacts
- ❖ Local Agency Formation Laws

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## Municipal Service Reviews §56430

♦ “In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission.” *Added in January, 2001*

MSRs can vary their focus

- ♦ Individual agency or jurisdiction
- ♦ Type of special district
- ♦ Category of service
- ♦ Countywide
- ♦ Regional or geographic area

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## MSR Determinations

- ❖ Growth projections
- ❖ Location of DUCs
- ❖ Present and planned capacity
- ❖ Financial ability of agency
- ❖ Shared facilities
- ❖ Accountability
- ❖ Other matters

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# An Introduction to Local Agency Formation Commissions

## Spheres of Influence §56425(a)

♦ "... the commission shall develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development within sphere areas."

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## Sphere Determinations

- ❖ Present and planned land uses, including agricultural and open-space
- ❖ Present and probable need for public facilities and services
- ❖ Present capacity of public facilities and adequacy of public services
- ❖ Existence of any social or economic communities of interest
- ❖ Present or probable need for public facilities and services of any disadvantaged unincorporated community (DUC)

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## Sphere Recommendations

♦ §56425(h) "The commission may assess the feasibility of governmental reorganization to particular agencies and recommend reorganization of those agencies...[to] further the goals of orderly development and efficient and affordable service delivery."

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# An Introduction to Local Agency Formation Commissions

## 2016 Grand Jury Recommendations and LAFCO Responses

- ❖ **Recommendation 1:** ...complete a comprehensive review of contracted Executive Officer performance...
- ❖ **Response:** The Executive Officer participated in performance review with the Commission. Executive Committee solicited commission input and provided evaluation. Done annually per EO agreement.
- ❖ **R2:** ...revise budget to return to prior year staffing levels & allow Shasta LAFCO office to be open Monday- Friday.
- ❖ **Response:** The Office Manager will maintain office hours Monday - Thursday, 9:00 AM to 4:00PM (closed lunch hour) and make arrangements to provide EO contact information for staffing services on voice mail and website, for other hours. Hours are posted on LAFCo website and office door.
- ❖ **R3:** ... review its current Fee Schedule and make revision as needed
- Response:** Fee Schedule has been updated

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- ❖ **R4:** ... establish a fee schedule to charge for Municipal Service Reviews and Sphere of Influence updates...
- Response:** MSR/SOI Updates are funded by the affected Shasta County local agencies as part of Shasta LAFCo's annual funding.
- ❖ **R5:** ... revise five year MSR/SOI updates plan, begin in FY 2016-17....
- Response:** Schedule updated, seven MSR/SOI updates completed in FY 2016-17, eleven scheduled for FY 2017-18. Remainder in cycle to be completed in following three years.
- ❖ **R6:** ...engage in cost saving efforts such as shared office space and personnel costs, shared insurance costs, reimbursement for costs from other agencies...
- Response:** LAFCo offices moved to shared space with Shasta Regional Transportation Agency. Staffing level reduced. Pre-application agreements used for reimbursements of early staff assistance for pending applications.
- ❖ **R7:** ...update Policies and Procedures....
- Response:** Updates underway, by chapter, next update scheduled for August 2017 meeting

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**Thank You**

Questions?

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